Honorable Marc L. Barreca
Hearing Date and Time:
September 7, 2012, 9:30 a.m.
Hearing Location:
700 Stewart St., #7106
Seattle, WA 98101
Response Due:
August 31, 2012
Chapter 7

FILED
Western District of Washington
at Seattle

AUG 31 2012

MARK L. HATCHER, CLERK
OF THE BANKRUPTCY COURT

THE UNITED STATES BANKRUPTCY COURT FOR THE
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In Re ADAM R. GROSSMAN	NO. 10-19817 STATEMENT IN RESPONSE TO OBJECTION TO CLAIM TANAGER FUND LP

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This claim is valid. The Declaration "DECLARATION OF ADAM R. GROSSMAN VOLUME I OF X" dated August 28, 2012 is incorporated by reference.

1) Neither the Trustee nor the Estate has a lawful right to claim 100% interest in the Tanager Fund LP which is a Delaware limited liability partnership having over one dozen limited partners and scheduled to terminate in 2016. It is a partnership, so the interest is owned proportionately by the partners according to Delaware Statute and the partnership interest. The estate is an economic assignee of the partner interests of Adam Grossman and Jill Borodin as of the date of filing of the petition of bankruptcy on 8/19/2010. The children's modest accounts are held in trust and may not be transferred pursuant to California State law. I had submitted a claim on behalf of the Tanager Fund LP to protect its interests depending on how the estate recognized the fraudulent accounting used by the Superior Court as suggested by Jill Borodin directly and/or through her attorney.

Despite having knowledge of the false and fraudulent nature of the accounting decreed by the Superior Court in error, the estate has continued to follow it with full knowledge of its false and fraudulent nature.

As Debtor, I through my attorney Jeffery Wells submitted this claim having standing as Debtor.

2) Ms. Moewes and Mr. Wood on October, 19, 2011, did acknowledge in my presence that the funds from Mr. Opie and Mr. Zieve could be recognized as a constructive trust which they were then likely to recognize and did so at least once in writing as a way to proposed that the ownership of the Glennview property properly existed. Since that time, I do not believe any facts have changed regarding Mr. Opie and Mr. Zieve's funding of that property, but Ms. Moewes has

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since decided that the acknowledgment she and Mr. Wood one made seems to have changed as a result of their need for money. I don't know why this should affect their assessment of the facts.

The decree of divorce whish is void, being issued by a court lacking jurisdiction to issue such a decree is still under appeal with a discretionary review filed with the Supreme Court of Washington at the current time. At the same time, Judge Marc Barreca has signed orders stating that the bankruptcy court has jurisdiction over this property -- in contrast to Ms. Moewes reliance on erroneous state documents to the contrary.

3) The escrow instructions delivered to the title company prior to May 20, 2010, included instructions to vest title in trust. I have recently learned that a copy of the trust document should exist on the mail server backups from the title company as of that date. In California, it is legal and the trust instrument does explicitly allow the holding of trust property in the name of the trustee with or without reference of the existence of the trust.

The statement that the property was transferred post-petition into the trust is counter to the existence of the trust document on the title company servers on May 20, 2010.

As is typical, the financial statements for the partnership would not have been completed mid-year. They were typically completed at the end of the year.

Much of the confusion has arisen from the false and fraudulent representations made by Jill Borodin directly and through her attorney that funds of the marital community were used to purchase two houses in 2010 when funds of the marital community only existed to purchase one house, at most.

Pursuant to Judge Barreca's comments, agreed in principle by the trustee's attorney, the limited partners took steps to prepare the financial statements in the spring of this year. In contrast to any of the possible accounting options I had previously suggested, the preferred

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accounting method to most closely reconcile with Ms. Borodin's fraudulent testimony was the inclusion of the Glennview Dr property as purchased jointly by the Tanager Fund LP and the marital community and the Montcrest property purchased entirely by the Ptarmigan Fund as a subsidiary of the Tanager Fund' LP. This has been fully disclosed to the court. The original accounting problem was fully disclosed in a full page of single-spaced 9-pt type in May, 2011, so there should be no new news that this discrepancy is a problem.

The title to the Glenview property appears to have been quieted through a suit brought against the trust but generally trusts are not entities which can be sued in California, nor are they entities which can vest title in California, nor are they (therefore) entities against which title can be quieted. In addition, by statute in California matters of title must be determined through the weighing of evidence and not through a default judgment under which a party is automatically entitled to a new hearing for up to ten years. The number of days required for an ex-parte default judgment for a lawsuit against an entity incapable of being sued to quiet title against an entity incapable of vesting title was, in 2009, changed from 3 days to 7 days, yet the default judgment obtained was less than seven days notice. I am not an attorney but this sounds very complicated to me.

4) The sworn testimony quoted by Ms. Moewes predates the defrauding of Tanager Fund investors by Jill Borodin which has resulted in a need to complete the books and balance them in a way that accounts for actions subsequent to the testimony cited by Ms. Moewes.

5) I am not an attorney and cannot comment definitively on Ms. Moewes' statement. I do not seek to acquire any beneficial interest in this property.

6) Ms. Moewes has been provided substantial documentation to support the assertion that the Tanager Fund LP has 100% equitable interest in the Glennview Dr property. It will need to be

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supplemented by the financial statements, SEC-required, GAAP-compliant, and CPA-prepared, which have not yet been completed to the best of my knowledge. Preliminary statements I have been requested to review and will likely be requested to sign under the requirements of Sarbanes-Oxley (which impose huge fines for signing false financial statements) will likely have sufficient documentation that is not substantially more than the documentation that Ms. Moewes now has.

The claim amount of $379,000 is based upon the arms-length transaction of a lease-option sale, then pending, which was voided by the bankruptcy court in favor of liquidating the property at a price now estimated to produce net proceeds of $220,000. I have never understood the logic of voiding the sale at the higher price and have never understood how this was in the in the best interests and for the benefit of creditors. Such "business judgment" appears to have caused $159,000 in value to disappear that would otherwise have been available for the benefit of creditors. This has never made sense to me.

For these reasons, I believe the claim is valid and will be upheld by the incoming trustee if the estate is not settled by then.

Dated August 31, 2012, signed in Seattle, WA.

s/Adam R. Grossman/

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[Re: Montcrest, Dr: notice that the grant deed shown in Ms. Moewes declaration on p. 59 is dated February 24, 2010, and appears to have been signed by Fannie Mae on February 24, 2010. However, the funds transfer did not occur until March, the escrow instructions were not sent until March, the PCOR was not filled out until March and shows "Adam R. Grossman, Trustee", the Settlement Statement reads, "Adam R. Grossman, Trustee", title insurance was made to "Adam R. Grossman, Trustee"; and the grant deed shown on p. 59 was an earlier draft and not the deed recorded at the Recorder's Office. Apparently, the title company was unwilling or unable to obtain a more recent signature from Fannie Mae.]

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M.L. HATCHER, CLK
U.S. BANKRUPTCY COURT
W.D. OF WA AT SEATTLE

BY__________DEP CLK.